

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL**

DATE: NOVEMBER 15, 2013

**SUBJECT: IDAHO POWER'S APPLICATION FOR APPROVAL OF CAPACITY
DEFICIENCY, CASE NO. IPC-E-13-21**

In Order No. 32697, the Commission directed that a case be initiated outside of each utility's Integrated Resource Plan (IRP) filing for the establishment of the capacity deficiency period to be utilized in the utility's SAR methodology. Idaho Power filed its 2013 IRP with the Commission on June 28, 2013. On November 4, 2013, Idaho Power filed its Application for approval of the capacity deficiency period to be utilized in the SAR avoided cost methodology. Idaho Power reports that its first deficit occurs in July 2021.

THE APPLICATION

Idaho Power filed its 2013 IRP with the Commission on June 28, 2013. Idaho Power's 2013 IRP identifies the first peak-hour deficit occurring in July 2016. Peak-hour load deficits are determined using 90th percentile water and 95th percentile peak-hour load conditions. On October 15, 2013, Idaho Power filed updated components of the incremental cost IRP avoided cost methodology consisting of an updated load forecast, updated natural gas forecast, and updated list of new and terminated PURPA contracts and long-term power purchase agreements. Applying the updated load and contract information with the 2013 IRP peak-hour deficits results in a first deficit for Idaho Power in July 2013.

On October 2, 2013, Idaho Power filed a settlement agreement regarding the continuation of its demand response programs. Updating the peak-hour deficits with up to 440 MW of energy from the suspension of demand response programs results in the peak-hour deficits first occurring in July of 2021. Consequently, Idaho Power requests that the

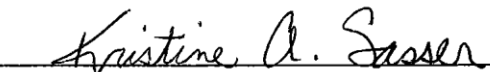
Commission approve July 2021 as the capacity deficiency period to be utilized in the SAR avoided cost methodology for Idaho Power.

STAFF RECOMMENDATION

Staff has reviewed Idaho Power's Application and recommends that it be processed by Modified Procedure. Staff further recommends that the Commission allow parties who claim a direct and substantial interest to intervene. After the deadline for intervention has passed, Staff will convene a prehearing conference with the parties and recommend further procedure to the Commission.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application setting a 14-day deadline for intervention?



Kristine A. Sasser
Deputy Attorney General

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